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UNCLAS SECTION 01 OF 03 AMMAN 006060

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E.O. 12958: N/A

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SUBJECT: A VIRTUAL SUCCESS: JORDAN'S ICT FORUM

REF: Amman 4595

1. (U) SUMMARY: Jordan's second ICT Forum was held Sept. 30-Oct. 1 in Amman. Featuring addresses by King Abdullah, Intel CEO Craig Barrett, John Gage, Chief Researcher and Director of the Science Office for Sun Microsystems, and AOL Strategic Advisor George Vradenburg, the event attracted more than 1200 participants from the Middle East, Europe, the Far East, and the U.S. The event, funded through USAID's AMIR program, highlighted the strengths and potential of Jordan's ICT industry. A presentation by IT consultant firm McConnell International gave a candid assessment of the sector's challenges in Jordan, and a progress report on Jordan's national IT strategy, REACH, provided an update on the Jordanian IT sector. End Summary

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Where Can I Get More of These Virtual Ministers  
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2. (U) As a successor to the premiere forum held in March 2000, the ICT Forum opened September 30. With most of the Cabinet, including PM Ali Abul Ragheb, flanking the King, the Forum's energetic setting--featuring rock music, high-tech special effects, and polished presenter BusinessWeek's Scott Shuster--succeeded in grabbing the participants' attention at the outset. In addition to the keynote speakers, the two-day agenda included workshops in e-government, industry development and capital and finance in Jordan, and the unveiling of the "REACH 3.0" report. The event was hosted and organized by the Ministry of Information Communications and Technology (MOICT) and the Information Technology Association of Jordan (INT@J).

3. (U) Minister of ICT Fawwaz Zu'bi launched the opening session in the form of a "virtual minister", a computer-generated depiction of Zu'bi, using technology created by Rubicon, an up and coming Jordanian IT firm. The real Zu'bi, a progressive minister well-known to the Embassy, frankly acknowledged Jordan's IT challenges while emphasizing the sector's strengths. He said that further progress is needed in developing e-commerce, e-security, and continued IT training in the Kingdom. He said that if Jordan has a niche, it must be in the field of education, given its rich human capital. He stressed that the government was concentrating on education, and to that end was moving forward by leaps and bounds, having increased the number of schools connected to the Internet (the result of the government's "Connecting Jordanians" initiative) from 40 in June to over 400 in September. Zu'bi closed by saying that Jordan "must take the tide" now, to further build on its strengths and become the regional IT leader it is capable of being.

4. (U) INTEL CEO Barrett's high-tech presentation focused on the future of IT and a balanced appraisal of IT in Jordan. He said that Jordan has "moved aggressively" in educational policy, infrastructure capability, and the use of IT by the government itself, all preconditions for Jordan to "unlock its IT power." Barrett pointed out that students below the age of 15 represented one-third of Jordan's population, presenting Jordan with the perfect opportunity to work now to develop the human capital vital to the knowledge-based, tech-driven that will bring Jordan to the cutting edge in ten years. At the same time the government needed to do more to foster entrepreneurship, and remove residual tax, tariff, and intellectual property rights barriers that continue to hinder the growth of IT in Jordan.

5. (U) After asking Zu'bi where he could find "more of these virtual ministers", King Abdullah urged the private and public sectors to "get their acts together" to continue to develop Jordan's IT sector, upon which, he said, the country was placing high hopes. The King dismissed the idea of a brain drain, saying that IT-savvy Jordanians throughout the world had formed a Jordanian network that amounted to a "brain gain". Still, he said, it was important to keep the best and brightest in the Kingdom in order to continue Jordan's impressive momentum in IT. The King urged all in attendance "to think outside the box" and said that he needed to hear from anyone who had ideas on what may be required to help Jordan's IT industry continue to grow.

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AN ACTIVE CHILD UNDERGOING A GROWTH SPURT  
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16. (U) The Forum's most-awaited presentation may have been that of Rosslyn Doktor of McConnell International (MI), billed as an objective assessment of ICT in Jordan. Doktor opened her remarks by comparing the sector to "an active child undergoing a growth spurt". She said that Jordan's "could be among the successful economies looking at ICT as a ticket to economic prosperity", but the country's current e-readiness position was "average".

17. (U) In presenting the final report, Doktor stressed strategic actions, such as the demonstrated resolve of the King to make Jordan e-ready, the success of active public/private initiatives, the country's commitment to further develop its young, well-educated population, and some achievements in regulatory and legal reform, in which Jordan had made some progress. However, she added, "the glass is half full". Describing five attributes, connectivity, e-leadership, information security, human capital, and the e-business climate MI used to measure Jordan's e-readiness, Jordan was "exactly in the middle" when compared to 18 developed and developing countries that had various commonalities with Jordan.

18. (U) In terms of connectivity, Jordan was ranked low to medium. Doktor said the immediate challenges were a monopoly telecom provider in place until 2005, low internet user penetration, and the absence of a strong regulator. E-leadership is one of Jordan's strong suits, judged medium-high by MI, given the King's "tireless" support, the coordinating role of the MOICT in e-policy, and the recognition of the importance of e-government by nearly all government agencies. The report assigned low to medium marks to the Kingdom for e-security due to a lack of a public e-security infrastructure and encryption policies, and an inadequate government and private sector approach to the monitoring and protection of information security. The human capital attribute was graded medium, with a need for increased network access throughout primary and secondary schools, expansion of e-learning initiatives for the currently employed and unemployed, and more R & D. Finally, Jordan was given low marks for e-commerce, with a low adoption rate by IT on the part of the private sector, too few programs that address the needs of small and medium enterprises, and a lack of electronic payment facilities.

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JORDAN IS GOING TO HAPPEN, BUT . . .  
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19. (U) At a gala Forum dinner by the Dead Sea, AOL-Time Warner's George Vradenburg said that Jordan was on the right track. He opined that, with educational reforms, a greater emphasis on e-commerce, and more legislation on e-security, "Jordan is going to happen; it's just a matter of time". But, he cautioned, a conflict in Iraq could disrupt Jordan's progress, with economic dislocation, an influx of refugees, and a negative impact on infrastructure all possible outcomes. Nonetheless, he urged his audience "to be prepared to ride out the short-term instability" with an eye toward "becoming the regional IT leader in a post-Saddam Middle East."

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REACH 3  
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10. (U) The updated "REACH 3.0" strategy for developing IT in Jordan emphasized the country's commitment to its strategic IT vision, despite market corrections and regional instability that have affected regional trade and foreign investment. (Note: The REACH national strategy for IT was initiated in 1999 by a core group representing Jordan's IT sector, with the assistance of USAID and other international consultants, in response to the King's challenge to prioritize and program Jordan's IT development. The original targets set by REACH 1.0 call for the creation of 20,000 IT and 10,000 IT-related jobs, \$550 million in annual exports, and \$150 million in foreign direct investment in the sector, all by 2004. End note)

11. (U) Ra'ed Bilbessi, CEO of INT@J, the local IT business association, presented the REACH 3.0 report to the Forum, and said that, while progress had been made, much more work remained. Out of the 52 strategic actions that came out of REACH 1.0, eight had been completed, five were ongoing, 30 were partially completed, and only nine were pending, that is, no action had yet been taken. Regarding the REACH 1.0 targets, Bilbeesi noted that 5000 IT jobs had been created in Jordan as of 2001, with IT companies generating \$27 million in exports, and FDI amounted to \$60 million.

12. (U) Bilbessi stressed that the development of human capital, Jordan's richest asset, continues to be the priority for the IT sector. He noted the Connecting Jordanians Initiative, the national campaign introduced by the MOICT to "incorporate ICT into the daily lives of all Jordanians", improving and ensuring Internet access throughout the Kingdom. With United Nations Development Program (UNDP) assistance, the Ministry of Education was investing \$67 million in training 6000 teachers in basic

computer literacy. Roger Guichard, USAID-funded Advisor of Policy and Strategy for the MOICT, pointed out that putting more disposable income in the hands of Jordanians would increase Internet penetration rates, currently at 1.3% of the population. To that end, he said, REACH 3.0 called for a telecom price benchmark and Internet study, a national campaign to raise awareness of the Internet's benefits, and the expansion of Jordan's IT Community Centers, currently numbering 20 across the country. USAID is beginning a study, through the AMIR Program, to ascertain the best means for the centers to achieve long-term sustainability.

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DEALS ANNOUNCED  
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13. (U) At the Forum, Jordanian paging services company Mirsal announced an agreement to operate a digital public trunked radio network based on Motorola's IDEN technology, which allows "push to talk" radio access, primarily for police and other emergency service applications. The \$47 million investment will create over 200 jobs in Jordan, with completion of the network expected by the end of 2003. In addition, wireless communications company Qualcomm announced plans to locate its regional CDMA (Code Division Multiple Access) business development center in Amman.

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COMMENT  
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14 (U) Following the King's admonition at the Forum's close that Jordan's IT industry "has the opportunity to set the standards and show the way to build a better region for all," most of the attendees waxed enthusiastic about the content and presentation of the event, but agreed that while Jordan was on the way to becoming a regional IT player, it had some work to do to get there. If anything, some participants told us, the challenges were even greater, given Jordan's creaky IT infrastructure, lack of adequate IT training throughout the educational system, and the high cost of connecting Jordanians nationwide. Still, the Forum showcased well the King and the Government of Jordan's commitment to pursue regional leadership in ICT through educational reform, a more open IT market, and a commitment to ensure IT access to all Jordanians.  
GNEHM